

Insurance Association of Connecticut

Judiciary Committee

March 20, 2009

HB 6642, An Act Concerning Solicitation Of Clients, Patients Or Customers

The Insurance Association of Connecticut, IAC, supports the concept embodied in HB 6642, An Act Concerning Solicitation of Clients, Patients or Customers, which is trying to reduce fraudulent and inflated claims from the system.

HB 6642 would prohibit professionals, from health professionals to lawyers, from utilizing individuals that identify potential clients/patients from accident reports. Such individuals are employed solely to review police reports on a daily basis. These individuals then contact the people named in accident reports attempting to steer them to a certain professional to pursue a claim based upon the events contained in the accident report. This practice is a form of ambulance chasing and any effort to reduce such practices is supported by the industry. However, HB 6642 creates unnecessary loopholes that would permit the unscrupulous practitioner ways to get around the provisions of this act, if adopted. For example, why is the prohibited practice limited to 40 days following the event? Does the act some how become less unethical after 40 days? Solicitation is solicitation and any direct solicitation, regardless if it is 1 day or 41 days following an event, should be prohibited. Additionally, HB 6642 only addresses the situation of the individual who is hired directly by the provider and then contacts a potential client/patient yet does nothing about the straw

transaction. As long as the person whom the provider hires does not actually contact the targeted client/patient then the act is not within the prohibited practices of HB 6642. The hired individual could use media to contact the individual or hire another person, keeping the transaction at arms length, so as to avoid the "knowingly" standard.

The IAC supports the concept behind HB 6642 but feels the language should be better refined to close up any potential loopholes.